

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of CenturyTel of Missouri,)	Case No. IO-2006-0316
LLC's Request for Competitive)	Tariff Nos. JI-2006-0598,
Classification Pursuant to Section)	JI-2006-0599, JI-2006-0600,
392.245.5, RSMo (2005))	JI-2006-0601, JI-2006-0602,
)	JI-2006-0603

STAFF RECOMMENDATION

COMES NOW the Staff of the Missouri Public Service Commission (Staff) submits the attached verified memorandum and recommendation in compliance with the Commission's order directing its Staff to file a recommendation or any objections to the Application in this matter.

In the attached Memorandum, which is labeled Appendix A, the Staff recommends that the Missouri Public Service Commission grant competitive status for residential services other than exchange access service to CenturyTel of Missouri, LLC's exchanges of Ava, Columbia, Crane, Marshfield and Seymour. Staff has conducted the investigation as directed by the Commission and has been able to confirm that CenturyTel of Missouri, LLC's *Application* complies with the requirements of Section 392.245.5 RSMo. (Supp. 2005). Specifically, Staff has verified that a facilities-based wireline carrier other than CenturyTel of Missouri, LLC with at least two residential customers with addresses in each exchange exists. Staff has also verified that a wireless carrier with at least two residential customers whose addresses are located in each exchange.

WHEREFORE, Staff recommends that the Commission permit the tariffs associated with CenturyTel of Missouri, LLC's petition to go into effect.

Respectfully submitted,

/s/ David A. Meyer

David A. Meyer

Senior Counsel

Missouri Bar No. 46620

Attorney for the Staff of the
Missouri Public Service Commission

P. O. Box 360

Jefferson City, MO 65102

(573) 751-8706 (Telephone)

(573) 751-9285 (Fax)

david.meyer@psc.mo.gov

Certificate of Service

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or electronically mailed to all counsel of record this 9th day of January 2006.

/s/ David A. Meyer

MEMORANDUM

To: Missouri Public Service Commission Official Case File
Tariff File No. (See Schedule 1) Case No. IO-2006-0316 (CenturyTel)
Case No. IO-2006 -0317 (Spectra)

From: Adam McKinnie
Telecommunications Department

John Van Eschen / 2-9-06 /s/ David Meyer / 2-9-06
Utility Operations Division/Date General Counsel's Office/Date

Subject: Recommendation to approve CenturyTel and Spectra's 30-day competitive classification filings

Date: 2-9-06

Summary:

The Commission Staff (Staff) recommends the Commission grant competitive status for residential services other than exchange access service to CenturyTel of Missouri, LLC's (CenturyTel's or ILEC's) Ava, Columbia, Crane, Marshfield and Seymour exchanges as well as Spectra Communications Group, LLC d/b/a CenturyTel's (Spectra's or ILEC's) Everton and Mr. Vernon exchanges. In Staff's opinion, evidence exists supporting the criteria described in Section 392.245.5 RSMo. (Supp. 2005) that at least two qualifying non-affiliated carriers are providing basic local telecommunications services within each of these exchanges. The proposed tariffs, as identified in Schedule No. 1, should be allowed to go into effect on March 3, 2006.

Background:

On February 1, 2006, CenturyTel and Spectra filed petitions requesting competitive classification for residential services other than exchange access service in a total of seven Missouri exchanges as listed below:

ILEC	Exchanges
CenturyTel	Ava, Columbia, Crane, Marshfield, Seymour
Spectra	Everton, Mt Vernon

Along with the petitions, each carrier made an instant tariff filing to classify the above exchanges as competitive. All relevant instant tariff filings have an effective date of March 3, 2006.

Each carrier requested that competitive classification be granted pursuant to the thirty day section of Section 392.245.5, RSMo (Supp. 2005). The relevant portion of the statute reads as follows:

5. Each telecommunications service offered to business customers, other than exchange access service, of an incumbent local exchange telecommunications company regulated under this section shall be classified as competitive in any exchange in which at least two nonaffiliated entities in addition to the incumbent local exchange company are providing basic local telecommunications service to business customers within the exchange. Each telecommunications service offered to residential customers, other than exchange access service, of an incumbent local exchange telecommunications company regulated under this section shall be classified as competitive in an exchange in which at least two nonaffiliated entities in addition to the incumbent local exchange company are providing basic local telecommunications service to residential customers within the exchange. For purposes of this subsection:

(1) Commercial mobile service providers as identified in 47 U.S.C. Section 332(d)(1) and 47 C.F.R. Parts 22 or 24 shall be considered as entities providing basic local telecommunications service, provided that only one such nonaffiliated provider shall be considered as providing basic local telecommunications service within an exchange;

(2) Any entity providing local voice service in whole or in part over telecommunications facilities or other facilities in which it or one of its affiliates have an ownership interest shall be considered as a basic local telecommunications service provider regardless of whether such entity is subject to regulation by the commission. A provider of local voice service that requires the use of a third party, unaffiliated broadband network or dial-up Internet network for the origination of local voice service shall not be considered a basic local telecommunications service provider. For purposes of this subsection only, a "broadband network" is defined as a connection that delivers services at speeds exceeding two hundred kilobits per second in at least one direction;

(3) Regardless of the technology utilized, local voice service shall mean two-way voice service capable of receiving calls from a provider of basic local telecommunications services as defined by subdivision (4) of section 386.020, RSMo;

(4) Telecommunications companies only offering prepaid telecommunications service or only reselling telecommunications service as defined in subdivision (46) of section 386.020, RSMo, in the exchange being considered for competitive classification shall not be considered entities providing basic telecommunications service; and

(5) "Prepaid telecommunications service" shall mean a local service for which payment is made in advance that excludes access to operator assistance and long distance service;

(6) Upon request of an incumbent local exchange telecommunications company seeking competitive classification of business service or residential service, or

both, the commission shall, within thirty days of the request, determine whether the requisite number of entities are providing basic local telecommunications service to business or residential customers, or both, in an exchange and if so shall approve tariffs designating all such business or residential services other than exchange access service, as competitive within such exchange.

...

The commission shall maintain records of regulated providers of local voice service, including those regulated providers who provide local voice service over their own facilities, or through the use of facilities of another provider of local voice service. In reviewing an incumbent local exchange telephone company's request for competitive status in an exchange, the commission shall consider their own records concerning ownership of facilities and shall make all inquiries as are necessary and appropriate from regulated providers of local voice service to determine the extent and presence of regulated local voice providers in an exchange.

In their petitions for competitive status on the thirty-day track, CenturyTel and Spectra named MCC Telephony of Missouri, Inc. (Mediacom) as an entity "providing local phone service in whole or in part over telecommunication facilities it owns" in each of the seven exchanges listed above. In support of this claim, each ILEC filed a highly confidential Exhibit C, listing telephone numbers that had been ported to a CLEC providing back office support to Mediacom in the last four months. Each of the seven requested exchanges has at least two telephone numbers that have been ported.

In further support of their petition, CenturyTel and Spectra each affirmed that each ILEC "has numerous non-affiliated wireless providers operating in its exchanges providing local service". In Exhibit A of their petitions, the ILECs listed the following wireless carriers:

ILEC	Wireless Carrier(s)	Exchanges Cited
CenturyTel	Cingular, Sprint/Nextel, T-Mobile, US Cellular	Ava, Columbia, Crane, Marshfield, Seymour
CenturyTel	Alltel	Ava, Crane, Marshfield, Seymour
Spectra	Alltel, Cingular, Sprint/Nextel, T-Mobile	Everton, Mt Vernon

The petitions cite coverage maps from the carriers' websites and rates offered from the wireless carriers as evidence of the wireless carriers providing service in the listed exchanges.

In highly confidential Exhibit C of the petitions, CenturyTel and Spectra provided a list of telephone numbers that had been ported to wireless carriers in the previous eight months. In several of the exchanges, CenturyTel and Spectra presented zero or one telephone number that had been ported to a wireless carrier.

In its *Order Directing Notice, Establishing Procedural Schedule, and Reserving Hearing Date*, the Commission wrote:

Accordingly, the Commission will direct its Staff to investigate this matter and to file a verified pleading stating, for each exchange under consideration in this proceeding, whether the wireless and the facilities-based carrier has at least two residential customers whose addresses are located within that exchange.

Staff Investigation:

The Telecommunications Department Staff (Staff) contacted each of the carriers cited by CenturyTel and Spectra as qualifying the seven exchanges for competitive status. Each carrier was asked to provide an affidavit stating for each exchange under consideration whether the carrier has at least two residential customers with addresses located within that exchange.

Mediacom submitted to Staff an affidavit on February 7, 2006 stating their current residential customer line counts as of February 1, 2006 for these exchanges. The affidavit submitted by MCC Telephony of Missouri's President Calvin Craib affirms that the company is serving at least two residential customers for each of the seven exchanges requested by CenturyTel and Spectra. His affidavit also provides the number of lines served by Mediacom in each of these exchanges. Mediacom has requested the line counts be classified as highly confidential. Thus, the affidavit has been redacted to eliminate information submitted confidentially under Section 386.480 RSMo. (2000). Mediacom's submitted affidavit is attached to this memorandum and is identified as Schedule No. 2.

In addition, based on Staff discussions with Mediacom officials, Mediacom provides basic local telecommunications service over the same facilities also utilized to provide cable television service to residential customers. In this regard Mediacom provides basic local telephone service to residential customers in these exchanges through its own outside plant facilities or those of an affiliate. Mediacom provides service through an arrangement with another CLEC for switching and other services. In this regard the CLEC technically provides local interconnection with the ILEC and also provides local telephone numbers to Mediacom in these exchanges.

As cited above, CenturyTel and Spectra each also provided a list of telephone numbers ported to Mediacom's CLEC partner in each of the seven exchanges at issue. A combination of this information as well as the affidavit submitted by Mediacom leads Staff to conclude that Mediacom clearly has at least two residential customers with addresses located within each of the seven exchanges at issue.

Staff also directly contacted the five wireless carriers cited by CenturyTel and Spectra in their respective applications. Staff asked each wireless carrier to provide an affidavit stating for each exchange under consideration whether the carrier has at least two residential customers with addresses located with that exchange. All five wireless carriers responded and their affidavits are attached to Staff's recommendation (see Schedule Nos. 3, 4, 5, 6 and 7). In discussions with Staff, three wireless carriers (Alltel Wireless, T-Mobile and Cingular) indicate that they do not retain records that distinguish residential customers from business customers. US Cellular and Sprint Nextel indicate that they have records distinguishing residential customers. US Cellular is providing service to at least two residential customers in the Ava, Columbia, Crane, Marshfield and Seymour exchanges. Sprint Nextel is providing service to at least two residential customers in the Columbia,

Marshfield, Seymour, Everton, and Mt Vernon exchanges. Each of the seven exchanges at issue has an affirmed wireless carrier serving at least two residential customers who have addresses in that exchange.

Schedule No. 8 lists each exchange under consideration and identifies the wireless carrier that has affirmed they are serving at least two residential customers whose addresses are located within that exchange. In addition, this table reveals porting information contained in the ILEC's highly confidential Exhibit C. Porting telephone numbers indicates that the customer has switched service from the ILEC to the wireless carrier and has retained the same local telephone number through local number portability. In Staff's opinion, the wireless carrier affidavits and the porting information provides reasonable evidence that at least one wireless company is providing service to at least two residential customers within the exchange.

In previous cases involving verifying whether or not wireless carriers are actually serving customers within a certain exchange, a question was raised whether ILEC customers residing in an exchange can call the wireless carrier's customers residing in the same exchange on a toll free basis. US Cellular affirmed that CenturyTel customers could place local calls to their customers in the exchanges of Ava, Columbia, Crane, Marshfield, and Seymour. T-Mobile affirmed that they "provided those end users numbering resources rated out of" the exchanges of Mount Vernon and Columbia. Alltel, in conversations with Staff, stated that they were unable to attest to the calling scope of CenturyTel or Spectra customers. Staff also requested the Local Exchange Routing Guide, or LERG, from CenturyTel and Spectra for the seven exchanges at issue in this case. The LERG describes telephone numbers that are rated as local to a specific exchange. Carriers may have alternative arrangements that allow for a wireline customer to call a wireless customer on a toll free basis even if the wireless customer's telephone number is not rated as local to the exchange within the LERG. Example of these arrangements include a Type 1 Interconnection, where a wireless carrier utilizes the local numbers of an ILEC, and number portability, where a customer ports their wireline telephone number to a wireless carrier. Staff has made inquiries to the ILECs about any alternate arrangements. In discussions with Staff, the ILECs representatives have stated that number porting is available in all seven exchanges at issue in this case. As of the time of this memorandum, the ILECs have produced a list of telephone numbers ported to wireless carriers, but no information about any existing Type 1 Interconnection arrangements. Schedule No. 8 identifies the wireless carriers contained in the LERG who have been assigned blocks of telephone numbers within the exchange.

Conclusion:

As a result of Staff's investigation, Staff concludes there is a facilities based wireline carrier other than the ILEC with at least two residential customers whose addresses are located in each of the following exchanges: Ava, Crane, Columbia, Marshfield, Seymour, Everton, and Mount Vernon. Staff also concludes there is a wireless carrier with at least two residential customers whose addresses are located in each of the following exchanges: Ava, Columbia Crane, Marshfield, and Seymour, Everton, and Mount Vernon.

Staff has no objection to the petitions. Staff recommends the instant tariff filings corresponding to the petitions be allowed to go into effect.

- ☒ The Companies are not delinquent in filing an annual report and paying the PSC assessment.
- ☐ The Company is delinquent. Staff recommends the Commission grant the requested relief/action on the condition the applicant corrects the delinquency. The applicant should be instructed to make the appropriate filing in this case after it has corrected the delinquency.
- (☐ No annual report ☐ Unpaid PSC assessment. Amount owed:)